



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 23, 2002

H.R. 4878 **Improper Payments Information Act of 2002**

As passed by the Senate on October 17, 2002

H.R. 4878 would require federal agencies, beginning in fiscal year 2003, to estimate the amounts of improper payments made by federal agencies and programs that are susceptible to significant improper payments. For estimates of improper payments that exceed \$1 million, each agency would prepare a report that discusses the causes of the improper payments and specific actions taken to correct the problem. In addition, the act would designate the Office of Management and Budget as the agency responsible for providing guidance to identify improper payments.

CBO estimates that enacting this legislation would not significantly affect the federal budget. H.R. 4878 would expand on existing measures designed to address waste, fraud, and abuse in the Government Performance and Results Act, the President's Management Agenda for fiscal year 2002, and OMB Circular A-11.

For most agencies, any impact of H.R. 4878 on spending would be subject to the availability of appropriated funds; however, the legislation could also affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration. CBO estimates, however, that any change in spending by these agencies would not be significant.

H.R. 4878 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.